UPDATE ON RELIABILITY PROJECTS INCLUDED IN THE 1998 ANNUAL REPORT

Turkey Hollow Road (circuit 13-104-2, Rock Island Co., Illinois)

Description in 1998 Annual Report:

Project involves replacing and upgrading 3 miles of overhead three-phase distribution line which is approximately 40 to 50 years old. The improvement increases the reliability to 295 customers along Turkey Hollow Road from Taylor Ridge to Andalusia Road. The project was started in 1998 and is approximately 60% complete. The remainder will be completed in 1999.

Budgeted Cost: $45,000 in 1999

Update for 1999 Annual Report:

The first two miles of this three mile project were completed in 1999. The total cost was $167,616, of which $62,479 was spent in 1999. The last mile of this project was not completed in 1999 due to cost overruns. The remaining mile of this project is currently budgeted and scheduled for completion in 2001.

Budget Cost: $60,000 in 2001

4 kV to 13 kV Conversion (Sub 29, circuits 4-29-2, 4-25-1, 4-U-2, Moline, Illinois)

Description in 1998 Annual Report:

The ongoing conversion of the 4 kV overhead distribution system continues with the elimination of 4 kV substation 29 and circuit 4-29-2 at 7th Street and 28th Avenue, Moline in 1999. Additional 4 kV conversion is also planned in 1999 for radial 4 kV taps on circuits 4-25-1, and 4-U-2, also in Moline. The five year goal for the 4 kV system in Rock Island and Moline is to convert all remaining radial taps, and Substations 20 and 23, and their associated circuits, by 2003.

Budgeted Cost: $60,000 in 1999
$75,000 in 2000
$75,000 in 2001
$75,000 in 2002

Update for 1999 Annual Report:

Of the $60,000 budgeted in 1999 for this project $11,544 was spent in 1999. A nine block area of circuit 4-25-1 along 12th Avenue, from 25th Street to 34th Street in Moline was converted. The original plan of converting 4 kV circuit 4-29-2 was changed to conversion of a radial 4-25-1 tap circuit in response to a customer request to improve reliability on circuit 4-25-1. The conversion of circuit 4-29-2 was delayed until 2000 since the primary reason for the conversion was to vacate Substation 29 for sale of the property to an adjacent property owner. The remainder of the 4 kV conversion budget for 1999 was not spent due to reallocation of resources to install squirrel guards in 1999 in the Illinois District. It was determined that installation of squirrel guards would result in a higher degree of reliability improvement in comparison to the additional 4 kV conversion planned in 1999. Animal guard installations were completed on two circuits: 13-27-1, Green Rock, Illinois, and, 13-22-5, Moline, Illinois in 1999 at a total cost of $34,020.

The ongoing conversion of the overhead 4 kV distribution system continues with the conversion of 4 kV circuit 4-29-2 budgeted for 2000. The 4 kV conversion budget for 2000 has been reduced from $75,000 to $10,000 due to a shift in resources towards a more aggressive squirrel guard program in Illinois. The squirrel guard program is anticipated to yield a better return in terms of reliability improvement in comparison to the additional 4 kV conversion planned in 2000. The goal for 4 kV system conversion for 2001 through 2003 remains the same, in Rock Island and Moline convert Substations 20 and 23, and a majority of their associated circuits.

Budgeted Cost: $10,000 in 2000
$75,000 in 2001
$75,000 in 2002
$75,000 in 2003

Swedona 4 kV Conversion (circuit 13-101-4, Swedona, Illinois)

Description in 1998 Annual Report:

This project converts the 4 kV "V" phase overhead circuit on Knoxville Road from Meadowgate Road to Camp Creek Road to 13 kV. The principle objectives of the project are improved voltage regulation to the 36 customers in the town of Swedona, and the continuation of the elimination of the 4 kV distribution system. The project is expected to be completed in 1999 and 2000.

Budgeted Cost: $12,000 in 1999

Update for 1999 Annual Report:

This project is expected to be completed in 2000.

106th & 95th St. Rebuild (circuit 13-43-1, Rock Island County, Illinois)

Description in 1998 Annual Report:

This project involves replacement of approximately 100 spans of 2.4 kV single phase overhead delta primary. The improvement increases the reliability to approximately 17 residential customers. The project is expected to be completed in 1999 and 2000.

Budgeted Cost: $75,000 in 1999
$75,000 in 2000

Update for 1999 Annual Report:

A significant portion of the installation is expected to be completed in 2000. Based on a re-estimation of the project cost, total dollars spent by year-end 2000 is expected to be $50,000. Due to the significant estimated cost of this project, $100,000, the completion date was extended in to 2001.

Budgeted Cost: $50,000 in 2001

110th Street & 145th Avenue Voltage Regulators (circuit 13-112-1, Mercer County, Illinois)

Description in 1998 Annual Report:

A load flow study performed on a rural section of circuit 13-112-1 indicated potential voltage problems when a new hog confinement facility starts operations in the summer of 1999. A project to install additional voltage regulation was completed in 1999. This will provide adequate voltage

for the new hog operation and improve the voltage regulation to several dozen existing rural residential and commercial farming customers served from this line section.

Budgeted Cost: $20,000 in 1999

Update for 1999 Annual Report:

This project was completed in 1999. The total cost was $27,341.

West 3rd Street & 104th Street Rebuild (circuit 13-43-1, Coal Valley, Illinois)

Description in 1998 Annual Report:

This project rebuilds and reconductors West 3rd Street and 104th Street from 106th Avenue, north approximately 2,500 feet. This will provide the ability to better sectionalize and fuse this circuit which serves a sensitive nursing care facility that has been experiencing an unacceptable number blown fuses due to weather related problems. The project is anticipated to be completed in 1999 and 2000.

Budgeted Cost: $30,000 in 1999

Update for 1999 Annual Report:

This project was developed in response to severe weather related outages that occurred during the summers of 1997 and 1998. Since then, tree trimming was performed and lightning arresters were installed. These preventive maintenance measures have, to date, prevented a reoccurrence of the unacceptable number of fuse operations that initially prompted the project. This circuit and the previously impacted area will continue to be monitored. In the unlikely event a reoccurrence occurs, a project to address the problem will be initiated.

Moline Airport Industrial Loop Underground Rebuild (circuit 13-43-1, Moline, Illinois)

Description in 1998 Annual Report:

This project involves replacing approximately 6,600 circuit feet of three phase 13 kV underground cable serving the industrial / commercial area south of the Moline Airport. Approximately 19 customers are served from this underground loop which has reached the end of its useful life. The project was started in late 1998 and is expected to be completed by year end 1999.

Budgeted Cost: $80,000 in 1999

Update for 1999 Annual Report:

This project was completed in 1999. The total cost was $141,002

Ridgewood Road & 85th Avenue West Underground Rebuild (circuit 13-18-1, Milan, Illinois)

Description in 1998 Annual Report:

This project involves replacing approximately 1,000 feet of 7,620V single phase underground primary cable in a urban residential subdivision. This radial circuit serves 34 residential homes and is reaching the end of its useful life. The replacement circuit will tie the customers into an adjacent circuit in the subdivision and provide a looped system with improved reliability. The project was started in 1998 and will be completed by year end 1999.

Budgeted Cost: $15,000 in 1999

Update for 1999 Annual Report:

This project was completed in 1999. The total cost was $13,603.

Oil to Vacuum Recloser Changeouts

Description in 1998 Annual Report:

A program was started in 1999 to start replacing older three phase reclosers with new vacuum reclosers. The objectives of the program are to reduce maintenance expenses associated with the oil reclosers and to provide improved control capabilities affecting how the reclosers operate during fault conditions. Two three phase recloser changeouts are budgeted to be purchased and installed in 1999.

Budgeted Cost: $34,000 in 1999

Update for 1999 Annual Report:

One hydraulic recloser was replaced in 1999 with a vacuum recloser. The replacement vacuum recloser was an available unit transferred from another operating area, so no capital expenditure was required. The significantly higher than budgeted cost expenditures on capital underground rebuilds in 1999, required a reallocation of capital from this program, therefore, a second recloser was not installed.